



Recreation Commission Agenda and Report

General Order of Business

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| 1. Call to Order and Salute to Flag | 7. Action Items |
| 2. Roll Call | 8. Written Communications |
| 3. Consent Calendar | 9. Commission Referrals |
| 4. Approval of Minutes | 10. Commission and Staff Communications |
| 5. Oral Communications | 11. Adjournment |
| 6. Staff Presentations/Ceremonial Items | |

Order of Discussion

Generally, the order of discussion after introduction of an item by the Chair will include comments and information by staff followed by Recreation Commission questions or inquiries. The applicant, or their authorized representative, or interested citizens may then speak on the item. At the close of public discussion, the item will be considered by the Recreation Commission and action taken.

Consent Calendar

Items on the Consent Calendar (printed on separate sheet) are considered to be routine by the Recreation Commission and will be enacted by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.

Addressing the Recreation Commission

Any person may speak on any item under discussion by the Recreation Commission after receiving recognition by the Chair. Speaker cards will be available at the speaker's podium prior to and during the meeting. To address the Commission, a card must be submitted to the Clerk indicating name, address and the number of the item upon which a person wishes to speak. Speakers are required to line up to conserve time between speakers. When addressing the Recreation Commission, please walk to the rostrum located directly in front of the Commission. State your name and address. In order to ensure all persons have the opportunity to speak, a time limit may be set by the Chair for each speaker. In the interest of time, please limit your comments to new material; do not repeat what a prior speaker has said.

Oral Communications

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Oral Communications section. Please be aware provisions of California Government Code Section 54954.2(b) prohibit the Recreation Commission from taking any immediate action on an item which does not appear on the agenda, unless it meets stringent requirements. The Chair may limit the length of your presentation.

Agenda and Report	•	Fremont Recreation Commission Meeting	•	July 2, 2014
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See Table of Contents for Meeting Location

See Reverse

Assistance

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the Parks & Recreation Department at (510) 494-4347.

Information

For Information on current agenda items please contact the Parks and Recreation Department at (510) 494-4347.

Copies of the Agenda and Report are available at the Parks and Recreation Department administrative office at 3300 Capitol Avenue, Building B and are available at each Commission meeting. In addition, complete agenda packets will be available for review at the Commission meeting or at the Parks and Recreation Department office three days prior to Commission meetings.

Information about the City or items scheduled on the Agenda and Report may be referred to:

**Tracey Leung, Executive Assistant
Community Services Department
3300 Capitol Avenue, Building B
Fremont, California 94538**

Telephone: (510) 494-4347

Your interest in the conduct of your City's business is appreciated.

Recreation Commission

Lila Bringhurst
John Dutra
John Herndon
Brian Hughes
Frank Pirrone
Pavan Vedere
Laura Winter

Department Staff

Annabell Holland, Community Services Director
Kathy Cote, Environmental Services Manager
Kim Beranek, Recreation Superintendent II
Esther deLory, Management Analyst II
Matt Herzstein, Water Park Operations Manager
Kelly King, Recreation Superintendent II
Kyle Kramer, Parks Superintendent
Monica Mathiesen, Urban Landscape Manager
Ken Pianin, Solid Waste Administrator
Roger Ravenstad, Senior Landscape Architect
Laurie Rogers, Recreation Superintendent II
Lance Scheetz, Sales and Revenue Manager

TABLE OF CONTENTS
FREMONT RECREATION COMMISSION SPECIAL MEETING
VALLEJO ADOBE IN CALIFORNIA NURSEY HISTORIC PARK
36501 NILES BOULEVARD
FREMONT, CALIFORNIA 94536
JULY 2, 2014, 6:30 P.M.

1. CALL TO ORDER AND SALUTE TO THE FLAG

2. ROLL CALL

3. CONSENT CALENDAR

4. APPROVAL OF MINUTES

5. ORAL COMMUNICATIONS

6. STAFF PRESENTATIONS/CEREMONIAL ITEMS

7. ACTION ITEMS

7.1 REGIONAL RENEWABLE ENERGY PROJECT

**Recommendation to City Council to Authorize the City Manager to Execute
Power Purchase Agreements with SunEdison Government Solutions, LLC,
for Solar Power Carports in Parking Lots at the Irvington Community
Center, Aqua Adventure Water Park, and Fremont Police Building Complex**

Contact Person:

Name:	Dan Schoenholz	Annabell Holland
Title:	Deputy Director	Director
Dept.:	Community Development	Community Services
Phone:	510-494-4438	510-494-4329
E-Mail:	dschoenholz@fremont.gov	aholland@fremont.gov

8. WRITTEN COMMUNICATIONS

9. COMMISSION REFERRALS

10. COMMISSION AND STAFF COMMUNICATIONS

City staff and PGAdesign, Inc. will lead a park tour and discussion on the Master Plan for California Nursery Historic Park. The Plan will create a comprehensive blueprint for the future use and development of the property that honors the rich history of the California Nursery and the Roeding Family.

11. ADJOURNMENT

AGENDA
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Contact Person:

Name:	Dan Schoenholz	Annabell Holland
Title:	Deputy Director	Director
Dept.:	Community Development	Community Services
Phone:	510-494-4438	510-494-4329
E-Mail:	dschoenholz@fremont.gov	aholland@fremont.gov

Executive Summary: This item is before the Recreation Commission to consider recommending that the City Council authorize the City Manager to execute power purchase agreements with SunEdison Governmental Solutions, LLC, for solar power carports in parking lots at the Irvington Community Center, Aqua Adventure Water Park, and Fremont Police Building Complex as part of the Regional Renewable Energy Project (RREP).

BACKGROUND: The RREP is based upon a previous, smaller joint purchase known as the Silicon Valley Collaborative Renewable Energy Procurement Project (SV-REP), which took place in 2009-11 and demonstrated that collaborative procurement leads to a significant reduction in

both administrative and installation costs for solar.

In 2011/12, Alameda County announced its intent to coordinate a broader regional procurement. Prior to making any decisions regarding participation, the City completed solar feasibility studies at four locations: the Fremont Police Building complex; the Maintenance Center; Aqua Adventure Water Park; and the Irvington Community Center. The studies concluded that all four sites were viable for solar. (The Maintenance Center project is not discussed in this staff report, since it is not located on land under the purview of the Recreation Commission.)

Based on the findings of the studies, Council authorized entering an MOU for participation in the RREP in November 2012. Subsequently, staff worked with Alameda County, technical consultants, and staff from other agencies to develop the RREP bid package, which was released publicly in September 2013. The RFP process was structured as an indefinite quantity, multiple award, best-value solicitation, and was conducted in accordance with Government Code Section 4217.10, et seq., which authorizes public agencies to solicit proposals from qualified persons and to award a contract on the basis of the experience of the firm, the type of technology employed by the firm, the cost to the local agency, and any other relevant considerations, provided that the projects deliver net cost savings to the public agency.

The RREP bid period ended in October, 2013. Two bids were received for “Bundle M1”, the group of similar-sized projects that included all four City of Fremont sites. After a rigorous evaluation procedure that considered financial strength, technical expertise, and pricing, the County selected SunEdison as the winning vendor.

SunEdison’s bid included pricing for both direct purchase and a PPA. A PPA is a third-party ownership model where a taxable entity (in this case, SunEdison) designs, installs, and maintains the solar arrays on public agency facilities. The public agency enters into a long-term contract to purchase 100% of the electricity generated by the solar installation and a license to allow the installation of the system on public property.

Concurrently with the County’s development and issuance of the RFP, City staff also applied for incentives from PG&E under the California Solar Incentive (CSI) program to partially offset the anticipated cost of the new systems. Incentives were reserved for two locations (Police Complex and Aqua Adventure Water Park), with total incentives of \$226,108 (if financed through PPAs) and \$796,262 (if financed through direct purchase). In order to retain eligibility for these incentives, the City must enter into PPAs or contracts for direct purchase by July 21, 2014.

DISCUSSION:

PPA vs. Direct Purchase

One important component of the decision to move forward with solar is the financing method to be used. Although a direct purchase financed at favorable terms might provide greater savings on energy costs than a PPA in the first five years, those additional savings would likely be partially or

fully offset in later years by the cost of replacing critical components and, ultimately, the cost of disposing of the system. The uncertainties involved with obtaining sufficiently favorable financing terms, and the impending July 21 deadline for obtaining the California Solar Incentive rebate, lead staff to recommend moving forward with PPAs rather than financing and construction of City-owned solar facilities.

Facilities to be Installed

SunEdison will install carport structures supporting solar panels on existing parking lots at the Police Complex, the AquaAdventure Water Park, and the Irvington Community Center. Exhibit A shows approximate layouts of the carports at each site. The carports in the Police Building parking lot will be watertight to provide enhanced protection of vehicles and equipment.

According to SunEdison, the carports will not eliminate any parking spots, although some spots where supports are located will be tighter. SunEdison will work with City staff to minimize the impacts to these spaces.

PPA Terms

Length of Agreement: The PPAs have a 20-year term with a provision for one five-year renewal.

Purchase Option: The City can exercise an option to buy the systems from SunEdison for fair market value (as determined by a mutually-agreed-upon appraiser) at any time after the first five years of operation.

Production Guarantee: SunEdison is required to deliver at least 90% of the expected annual power output from the system; failure to do so would result in cash payments by SunEdison to the City to offset the City's costs in replacing the lost power. This provision provides additional incentive to SunEdison to maintain the systems in good working order.

Removal Fund: SunEdison is required to fund a Removal Fund reserve on an annual basis. The Removal Fund will be held in escrow and could be used by the City to remove the panels and carport structures if SunEdison were to go bankrupt and the City wanted the structures removed.

Project Management Funding: SunEdison is required to provide approximately \$160,000 to the City after execution of the PPAs to be used to fund City staff time for project management.

Maintenance: SunEdison is responsible for all maintenance related to the systems, including any necessary replacement of inverters.

Pricing: Each PPA has a different base price, depending on SunEdison's bid price and subsequent negotiations with the City. Prices vary based on distances from panels to interconnection points; panel orientation; shading; and other site-specific factors and constraints.

	PPA Price (\$/kWh)	Annual Escalator
Police Complex	0.1400	2%
Irvington Comm. Center	0.1474	2%
Aqua Adventure Water Park	0.1720	2%

According to Alameda County's analysis, the RREP bids are on average between 17% and 45% below comparable market pricing. The annual 2% escalator in pricing is half of the historic average PG&E price increases of 4% annually.

Project Benefits

- Cost Savings

Based on analyses prepared by Newcomb, Anderson and McCormick, the RREP financial consultant, the Net Present Value of the cost savings that the City will realize through the three PPAs over 25 years is approximately \$3.0 million.

- GHG Reductions

The three systems are expected to produce about 1,900,000 kWh of electricity in the first year, resulting in an estimated reduction of the equivalent of 569 tons of CO². This represents a reduction of about 5.5% in the total emissions from City operations as identified in the Climate Action Plan.

- Rain/Sun Protection

In addition to the solar benefits, the carport structures will also provide shading of vehicles. The reduced summertime interior temperature of vehicles should result in fuel savings due to reduced need for air conditioning, and should also reduce heat related impacts on upholstery and paint. The carports will also provide a measure of rain protection.

- Workforce Benefits

An RREP Workforce Taskforce composed of industry and labor representatives recommended that vendors be required to show a good faith effort to hire 40% of all required labor locally, with locally being defined as the nine-county Bay Area to reflect the regional nature of the project. The PPAs include SunEdison's plan for achieving this 40% goal.

- Public Awareness/Education

In addition to the general increase in awareness of solar as a viable energy generation source that will be promoted through the City project, the PPAs provide for a kiosk at each

project site that will provide public information regarding the solar production at that site.

Government Code Section 4217.12

In accordance with California Government Code Section 4217.12, staff has concluded that the total cost of the solar power generation systems provided under these PPAs will be less than the anticipated cost of electricity that would have been consumed at these three locations in the absence of the project.

ENCLOSURES:

- Planned Layouts for Solar Carports at:
 - Irvington Community Center (Exhibit A)
 - Aqua Adventure Water Park (Exhibit B)
 - Police Building Complex (Exhibit C)

RECOMMENDATION: That the Recreation Commission support staff recommendation and recommend that the City Council authorize the City Manager or his designee to execute Power Purchase Agreements with SunEdison Government Solutions, LLC for solar power at the Irvington Community Center, the Aqua Adventure Water Park, and the Police Building Complex.

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